



## **PHYSICAL THERAPIST ASSISTANTS IN THE REALM OF CORPORATION OWNERSHIP**

The topic of corporations has long been a confusing matter when it comes to physical therapy. Ultimately there are two different types of corporations in the realm of physical therapy: general and professional. Professional corporations are those, which are owned by a group of licensed physical therapists. General corporations are those in which unlicensed individuals are shareholders, but one's which must employ a licensed physical therapist to provide treatment. The question of whether or not a physical therapist assistant may own and work in a general corporation has arisen. In a letter dated September 11, 1997, the Physical Therapy Board of California acknowledged that "...a nonprofessional corporation may employ or retain licensed physical therapists to provide physical therapy services. Lay persons may own all or part of the shares of such a corporation." That letter specifies the conditions for lay owners as including this condition: "A lay person who is a shareholder in a corporation providing physical therapy services also may not manage or control the professional actions or practice decisions of a physical therapist in the employ of such a corporation."

Please be advised that, with the addition of one special condition, a licensed physical therapist assistant may, as an individual or sole proprietor, employ a licensed physical therapist to provide professional therapy services to the public, under substantially the same conditions as apply to the lay owners of a nonprofessional corporation. But in view of the anomalous, and indeed impermissible, relationship that would otherwise obtain, the physical therapist assistant owner must meet the special condition that in the conduct of that physical therapy practice, the physical therapist assistant shall personally perform no service whatsoever as a physical therapist assistant.

The provisions of Business and Professions Code Section 2655(c) in conjunction with the provisions of Title 16 California Code Regulations, Section 1398.44 necessitate this special condition. Section 2655 (c) defines the essential relationship between the supervising physical therapist and the supervised physical therapist assistant and mandates that "the supervising physical therapist...shall be responsible for the extent, kind, and quality of services provided by the physical therapist assistant". Section 1398.44 of the regulations implements this statutory mandate by enumerating extensive supervisory duties of the physical therapist. It would be fundamentally inconsistent with these statutory and regulatory provisions for the supervising physical therapist to be deterred or inhibited in the exercise of his or her responsibilities to the public, namely to adequately direct and supervise the physical therapist assistant, by reason of the supervisor's status as an employee of the person supervised.

Note: This document is not a declaratory opinion of the Physical Therapy Board of California.